



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-067]

### **Forged Steel Fittings from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2018-2019**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that Both-Well (Taizhou) Steel Fittings Co., Ltd., an exporter of forged steel fittings from the People's Republic of China (China), did not sell subject merchandise in the United States at prices below normal value (NV) during the period of review (POR) May 17, 2018, through October 31, 2019. We also preliminarily find that Ningbo Zhongan Forging Co., Ltd. (Ningbo Zhongan) is not eligible for a separate rate and is, therefore, part of the China-wide entity. Interested parties are invited to comment on these preliminary results.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Jinny Ahn, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0339.

### **SUPPLEMENTARY INFORMATION:**

#### Background

This administrative review is being conducted in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). On January 17, 2020, Commerce published the notice

of initiation of this administrative review, covering 26 companies.<sup>1</sup> On February 13, 2020, Commerce selected as mandatory respondents Both-Well (Taizhou) Steel Fittings Co., Ltd. (Both-Well) and Ningbo Zhongan Forging Co., Ltd. (Ningbo Zhongan), the two companies accounting for the largest volume of U.S. entries of subject merchandise into the United States as reported by U.S. Customs and Border Protection (CBP).<sup>2</sup> On February 18, 2020, Commerce issued the non-market economy (NME) antidumping duty (AD) questionnaire to Both-Well and Ningbo Zhongan. On March 4, 2020, Ningbo Zhongan notified Commerce that it did not intend to respond to the NME AD questionnaire.<sup>3</sup>

On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.<sup>4</sup> On July 21, 2020, Commerce tolled all deadlines in administrative reviews by an additional 60 days.<sup>5</sup> On November 3, 2020, Commerce extended the preliminary results deadline by 60 days.<sup>6</sup> On January 4, 2021, Commerce extended the preliminary results deadline by an additional 60 days until March 19, 2021. For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.<sup>7</sup>

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<sup>1</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 3014 (January 17, 2020) (*Initiation Notice*). We note that the *Initiation Notice* identifies 27 companies initiated for review, but for purposes of respondent selection, we considered two of the initiated companies as the same company: Both-Well (Taizhou) Steel Fittings Co., Ltd. and Both-Well Taizhou Steel Fittings Co., Ltd. *See* Memorandum, “Antidumping Duty Administrative Review of Forged Steel Fittings from the People’s Republic of China: Selection of Respondents for Individual Examination,” dated February 13, 2020 (Respondent Selection Memo).

<sup>2</sup> *See* Respondent Selection Memo.

<sup>3</sup> *See* Ningbo Zhongan’s Letter, “Ningbo Zhongan Notice of No Intent to Respond to Questionnaire for Administrative Review of the Antidumping Duty Order on Forged Steel Fittings from the People’s Republic of China,” dated March 4, 2020.

<sup>4</sup> *See* Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19,” dated April 24, 2020.

<sup>5</sup> *See* Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

<sup>6</sup> *See* Memorandum, “Forged Steel Fittings from the People’s Republic of China: Extension of Deadline for Preliminary Results of the First Antidumping Duty Administrative Review,” dated November 3, 2020.

<sup>7</sup> *See* Memorandum, “Decision Memorandum for the Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments: Forged Steel Fittings from the People’s Republic of China; 2018-2019,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

### Scope of the *Order*<sup>8</sup>

The merchandise covered by the *Order* is carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Subject carbon and alloy forged steel fittings are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They also may be entered under HTSUS subheadings 7307.92.3010, 7307.92.3030, 7307.92.9000, and 7326.19.0010. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act and 19 CFR 351.213. We calculated export prices in accordance with section 772 of the Act. Because China is an NME country within the meaning of section 771(18) of the Act, NV has been calculated in accordance with section 773(c) of the Act.

For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum. A list of the topics included in the Preliminary Decision Memorandum is included in Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum is available at <http://enforcement.trade.gov/frn/>.

### Preliminary Determination of No Shipments

Based on our analysis of CBP information and the no-shipment certifications submitted by Dalian Guangming Pipe Fittings Co., Ltd., Jiangsu Forged Pipe Fittings Co., Ltd., Lianfa

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<sup>8</sup> See *Forged Steel Fittings From Italy and the People's Republic of China: Antidumping Duty Orders*, 83 FR 60397, dated November 26, 2018 (*Order*).

Stainless Steel Pipes & Valves (Qingyun) Co., Ltd., and Qingdao Bestflow Industrial Co., Ltd., Commerce preliminarily determines that these four companies had no shipments of subject merchandise during the POR. For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Consistent with our practice, we are not rescinding this review with respect to these companies but, instead, intend to complete the review and issue appropriate instructions to CBP based on the final results of the review.<sup>9</sup>

#### Separate Rates

Commerce preliminary finds that Ningbo Zhongan has not established its eligibility for a separate rate. Moreover, Commerce preliminarily finds that 14 other companies for which a review was initiated did not establish their eligibility for a separate rate because they failed to provide a separate rate application, a separate rate certification, or a no-shipment certification if they were already eligible for a separate rate.<sup>10</sup> As such, we preliminarily determine that Ningbo Zhongan and these 14 companies are part of the China-wide entity.

Additionally, Commerce preliminarily finds that the information placed on the record by six companies in addition to Both-Well demonstrates that these companies are eligible for a separate rate. These six companies are: Ningbo Long Teng Metal Manufacturing Co., Ltd.; Ningbo Save Technology Co., Ltd.; Q.C. Witness International Co., Ltd.; Xin Yi International Trade Co., Limited; Yingkou Guangming Pipeline Industry Co., Ltd.; and Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd. For additional information, *see* the Preliminary Decision Memorandum.

#### Dumping Margin for Non-Individually Examined Companies Granted a Separate Rate

In these preliminary results, because the only participating mandatory respondent (*i.e.*, Both-Well) eligible for a separate rate has received a weighted-average dumping margin of zero

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<sup>9</sup> *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011) (*NME Assessment of Duties*).

<sup>10</sup> *See* Appendix II of this notice which identifies these 14 companies along with Ningbo Zhongan.

percent, we look to section 753(c)(5)(B) of the Act for guidance, which instructs Commerce to use any “reasonable method” to determine the rate for exporters that are not being individually examined and found to be entitled to a separate rate. Accordingly, for these preliminary results, we find it appropriate to assign the calculated weighted-average dumping margin of the sole participating mandatory respondent, Both-Well (*i.e.*, zero percent) as the weighted-average dumping margin for the non-selected, separate rate respondents. For additional information, *see* the Preliminary Decision Memorandum.

#### The China-Wide Entity

Commerce’s policy regarding conditional review of the China-wide entity applies to this administrative review.<sup>11</sup> Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the China-wide entity.<sup>12</sup> Because no party requested a review of the China-wide entity in this review, the China-wide entity is not under review and the China-wide entity’s rate (*i.e.*, 142.72 percent) is not subject to change.<sup>13</sup> For additional information, *see* the Preliminary Decision Memorandum.

#### Preliminary Results of the Review

Commerce preliminarily determines that the following weighted-average dumping margins exist for the POR:

<b>Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Both-Well (Taizhou) Steel Fittings Co., Ltd.	0.00
<b>Review-Specific Rate Applicable to the Following Companies:</b>	
<b>Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Ningbo Long Teng Metal Manufacturing Co., Ltd.	0.00
Ningbo Save Technology Co., Ltd.	0.00
Q.C. Witness International Co., Ltd.	0.00
Yingkou Guangming Pipeline Industry Co., Ltd.	0.00

<sup>11</sup> *See Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

<sup>12</sup> *Id.*

<sup>13</sup> *See Order*, 83 FR at 60397.

Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd.	0.00
Xin Yi International Trade Co., Limited	0.00

### Disclosure and Public Comment

Commerce intends to disclose the calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Pursuant to 19 CFR 351.309(c)(ii), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the case briefs are filed.<sup>14</sup>

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.<sup>15</sup> If a request for a hearing is made, Commerce will announce the date and time of the hearing.

All submissions to Commerce must be filed electronically using Enforcement and Compliance's electronic records system, ACCESS,<sup>16</sup> and must also be served on interested parties.<sup>17</sup> An electronically filed document must be received successfully in its entirety by ACCESS, by 5 p.m. Eastern Time (ET) on the date that the document is due. Note that

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<sup>14</sup> See 19 CFR 351.309(d).

<sup>15</sup> See 19 CFR 351.310(c).

<sup>16</sup> See 19 CFR 351.303.

<sup>17</sup> See 19 CFR 351.303(f).

Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>18</sup>

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

In accordance with section 751(a)(2)(C) of the Act, the final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review. Upon issuance of the final results, Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.<sup>19</sup> Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the company-specific weighted-average dumping margin is not zero or *de minimis*, and, for Both-Well, when the importer-specific assessment rate calculated in the final results of this review is not zero or *de minimis* (*i.e.*, less than 0.50 percent). Where either a company's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*,<sup>20</sup> we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. If Both-Well's weighted-average dumping margin is not

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<sup>18</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 41363 (July 10, 2020).

<sup>19</sup> See 19 CFR 351.212(b)(1).

<sup>20</sup> See 19 CFR 351.106(c)(2).

zero or *de minimis* in the final results of this review, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation, in accordance with 19 CFR 351.212(b)(1).<sup>21</sup>

We intend to instruct CBP to take into account the “provisional measures deposit cap,” in accordance with 19 CFR 351.212(d).

For the respondents that were not selected for individual examination in this administrative review but qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin assigned to Both-Well in the final results of this review.

For the final results, if we continue to find that Ningbo Zhongan and the 14 companies, identified in Appendix II, are ineligible for a separate rate and are, therefore, considered part of the China-wide entity, we will instruct CBP to apply an assessment rate of 147.72 percent (the China-wide entity rate) to all entries of subject merchandise during the POR which were exported by those companies.

For entries that were not reported in the U.S. sales data submitted by Both-Well during this review, Commerce will instruct CBP to liquidate such entries at the rate for the China-wide entity.<sup>22</sup> Additionally, if Commerce determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter’s case number (*i.e.*, at that exporter’s cash deposit rate) will be liquidated at the rate for the China-wide entity.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) for each company listed in the final results of this review, the cash deposit rate will be equal to the weighted-average dumping margin

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<sup>21</sup> Commerce will apply the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

<sup>22</sup> See *NME Assessment of Duties*, 76 FR, at 65694-65695, for a full discussion of this practice.



established in the final results of this review (except, if the rate is *de minimis*, then the cash deposit rate will be zero); (2) for previously examined Chinese and non-Chinese exporters not listed above that received a separate rate in a prior completed segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific cash deposit rate; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity (*i.e.*, 147.72 percent); and (4) for all non-Chinese exporters of subject merchandise which have not received their own separate rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter.

These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification to Interested Parties

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, 19 CFR 351.213, and 19 CFR 351.221(b)(4).

Dated: March 19, 2021.

**Christian Marsh,**

*Acting Assistant Secretary*

*for Enforcement and Compliance.*

## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Methodology
- V. Date of Sale
- VI. Comparisons to Normal Value
- VII. U.S. Price
- VIII. Normal Value
- IX. Currency Conversion
- X. Adjustment Under Section 777A(f) of the Act
- XI. Recommendation

## **Appendix II**

### **Companies Preliminarily Not Eligible for a Separate Rate and Treated as Part of China-Wide Entity**

1. Cixi Baicheng Hardware Tools, Ltd.
2. Eaton Hydraulics (Luzhou) Co., Ltd.
3. Eaton Hydraulics (Ningbo) Co., Ltd.
4. Jiangsu Haida Pipe Fittings Group Co.
5. Jinan Mech Piping Technology Co., Ltd.
6. Jining Dingguan Precision Parts Manufacturing Co., Ltd.
7. Luzhou City Chengrun Mechanics Co., Ltd.
8. Ningbo HongTe Industrial Co., Ltd.
9. Ningbo Zhongan Forging Co., Ltd.
10. Shanghai Lon Au Stainless Steel Materials Co., Ltd.
11. Witness International Co., Ltd.
12. Yancheng Boyue Tube Co., Ltd.
13. Yancheng Haohui Pipe Fittings Co., Ltd.
14. Yancheng Jiuwei Pipe Fittings Co., Ltd.
15. Yancheng Manda Pipe Industry Co., Ltd.

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